

AMENDED IN ASSEMBLY MAY 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2528**

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**Introduced by Assembly Member Knight**  
*(Coauthors: Assembly Members Adams, DeVore, Gilmore, Jeffries,  
Logue, Norby, and Portantino)*  
*(Coauthor: Senator Runner)*

February 19, 2010

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An act to add Sections 17071.5 and 24303 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2528, as amended, Knight. Income and corporation taxes: gross income: exclusion: cash for clunkers.

The Personal Income Tax Law and the Corporation Tax Law ~~defines~~ *define* gross income as all income from whatever source derived, unless specifically excluded.

This bill would, under both laws, exclude from the computation of gross income any voucher issued or specified payment made pursuant to the federal Consumer Assistance to Recycle and Save Act of 2009 received as a result of a purchase of a vehicle described in that act.

This bill ~~makes~~ *would make* a legislative finding and declaration that it serves a public, as specified.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 17071.5 is added to the Revenue and  
2 Taxation Code, to read:

3 17071.5. ~~A~~*Without regard to taxable year, a voucher issued*  
4 *under the federal Consumer Assistance to Recycle and Save Act*  
5 *of 2009 (Public Law 111-32 as amended by Public Law 111-47)*  
6 *or any payment made pursuant to Section 1302(a)(3) of that act*  
7 *shall not be considered as gross income of the purchaser of a*  
8 *vehicle for purposes of this part.*

9 SEC. 2. Section 24303 is added to the Revenue and Taxation  
10 Code, to read:

11 24303. ~~A~~*Without regard to taxable year, a voucher issued*  
12 *under the federal Consumer Assistance to Recycle and Save Act*  
13 *of 2009 (Public Law 111-32 as amended by Public Law 111-47)*  
14 *or any payment made pursuant to Section 1302(a)(3) of that act*  
15 *shall not be considered as gross income of the purchaser of a*  
16 *vehicle for purposes of this part.*

17 SEC. 3. The Legislature finds and declares that this act is  
18 necessary for the public purpose of providing for the equitable  
19 treatment of taxpayers and in furtherance of the purposes the  
20 federal Consumers Assistance to Recycle and Save Act of 2009.

21 SEC. 4. This act provides for a tax levy within the meaning of  
22 Article IV of the Constitution and shall go into immediate effect.